



#17

Request for City Council Committee Action From the Finance Department

Date: April 18, 2002
To: Ways and Means Committee
Referral to: None

Subject: New Payroll Policy

Recommendations (Policy attached)

- ☐ Approve that all employees of the City of Minneapolis, Independent Boards, and organizations, whether they are full-time, part-time, seasonal, permit, contractual or other types of employment situations, who receive their payroll payment through HRIS shall be paid by "Direct Deposit" for pay dates after June 28, 2002.
- ☐ Approve that those employees who are defined as having access to an assigned computer or reasonable access to a secure City computer will no longer receive a mailed paper pay stub effective July 1, 2002. Employees from Information and Technology Services, Human Resources, and Finance will identify those employees who meet the criteria of "access or reasonable access to a secure City computer."
- ☐ Approve that all employees of the City of Minneapolis, Independent Boards, and organizations, whether they are full-time, part-time, seasonal, permit, contractual or other types of employment situations, shall receive all expense reimbursements electronically through the bi-weekly payroll system process effective September 1, 2002. HRIS System access and training materials will be provided to the appropriated disbursement personal. Appropriate documentation would continue to be audited and maintained.

Previous Directives

(any past Council actions or directions to staff)

Prepared or Submitted by Lori Economy-Scholler, Director Treasury Division 673-3008

Approved by: Patrick Born, City Finance Officer

John Moir, City Coordinator

Presenters in Committee (consent item)

Financial Impact (Check those that apply)

☒ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

- ☐ Neighborhood Notification
- ☐ City Goals
- ☐ Comprehensive Plan
- ☐ Zoning Code
- ☐ Other
- ☐ Not applicable

Background/Supporting Information Attached

**City Attorney's legal opinion dated March 29, 2002.
Payroll Policy**



City of Minneapolis

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TO: Citywide Labor Management Committee

Labor

Rick Chantry

John DeMonico

Dwayne Johnson

Jill Kielblock

Paul Nelson

Todd Pufahl

Laura Spartz

Management

David Doth

Rocco Forte

Tim Giles

John Moir

David Sonnenberg

Elected Officials

Mayor R.T. Rybak

Council President Paul Ostrow

Council Member Dan Niziolek

Council Member Barb Johnson

FROM: Jay M. Heffern, City Attorney

DATE: March 29, 2002

RE: Electronic Earnings Statement

INTEROFFICE MEMORANDUM

This memorandum is in response to the request at the February Labor Management Committee meeting that my office review whether Minnesota law allows the City to deliver bi-weekly earnings statements electronically.

Minnesota Statutes, § 181.032 (2000) provides:

At the end of each pay period, the employer shall give each employee an earnings statement in writing covering that pay period. The earnings statement may be in any form determined by the employer but must include:

- a) The name of the employee;
- b) The hourly rate of pay (if applicable);
- c) The total number of hours worked by the employee unless exempt from chapter 177;
- d) The total amount of gross pay earned by the employee during the period;
- e) A list of deductions made from the employee's pay;
- f) The net amount of pay after all deductions are made;
- g) The date on which the pay period ends; and
- h) The legal name of the employer and the operating of the employer if different from the legal name.

(Emphasis added)

The statute requires an employer to give to each employee an earnings statement "in writing" but allows the employer to determine the form of the statement.

This statute has not been interpreted by the Minnesota courts and the term "in writing" is not defined in Minn. Stat. § 181.032 (2000). However, Minn. Stat. § 645.44, Subd. 14 (2000) provides that "in writing" includes "any mode of representing words and letters". Although numbers are not included in this definition, it is reasonable to conclude that electronic delivery of bi-weekly earnings statements is

Citywide Labor Management Committee
March 29, 2002
Page 2

permitted under Minn. Stat. § 181.032 (2000) because that statute allows the employer to provide the information "in any form" and the phrase "in writing" is defined in Minn. Stat. § 645.44, Subd. 14 (2000) to include "any mode" of representation.

Minnesota Statute § 181.032 (2000) also raises the issue of whether electronic delivery of earnings statements satisfies the requirement that the employer "give" each employee an earnings statement covering the pay period. Again, the statute does not define the verb "give". Webster's II New Riverside University Dictionary 531 (1994) defines "give" to mean, inter alia, "to provide" or "to proffer or offer". It is my opinion that electronic delivery of earnings statement meets the statutory requirement to "give" the earnings statement to each employee if the employee has an assigned computer or reasonable access to a secure City computer. For those employees who do not have an assigned computer or reasonable access to a secure City computer, the City should design a system to ensure that those employees promptly receive their bi-weekly earnings statements. In designing this system, appropriate security measures should be employed. Alternative compliance strategies could include mailing the bi-weekly earnings statement to those employees who do not have an assigned computer or reasonable access to a secure City computer or establishing centralized departmental or divisional payroll operations to print, upon an employee's request, individual earnings statements.

cc: Pat Born, Chief Financial Officer
Ann Eilbracht, Director, Human Resources

JMH:kc/Labor Mgt. Committee



Payroll Policy

The following are responsible for the accuracy of the information contained in this document:

Director, Human Resources
City Finance Officer
Director, Treasury Division

Responsible Departments: Human Resources, Finance

Direct Deposit

All employees of the City of Minneapolis, Independent Boards, and organizations, whether they are full-time, part-time, seasonal, permit, contractual or other types of employment situations, who receive their payroll payment through HRIS shall be paid by "Direct Deposit" for pay dates after June 28, 2002.

Exceptions: Election Judges, Summer Youth programs, and individuals who have provided written objection as stated within Minnesota Chapter 177.23 Subd 4. All written objections must be submitted to Central Payroll, 350 South Fifth Street, Room 216 City Hall, Minneapolis, Minnesota 55415.

On-line Access to Payroll Payment

All employees of the City of Minneapolis, Independent Boards, and organization, whether they are full-time, part-time, seasonal, permit, contractual or other types of employment situations, shall have access to view and print their payroll information electronically.

Those employees who are defined as having access to an assigned computer or reasonable access to a secure City computer will no longer receive a mailed paper pay stub effective July 1, 2002. Employees from Information and Technology Services, Human Resources, and Finance will identify those employees who meet the criteria of "access or reasonable access to a secure City computer."

Those employees who are not assigned a computer and do not have reasonable access to a secure City computer will continue to receive their payroll information through the mail. However, these employees can request to discontinue the mailing of their payroll information. Submit all requests to Central Payroll, 350 South Fifth Street, Room 216 City Hall, Minneapolis, Minnesota 55415.

Employee Reimbursements

All employees of the City of Minneapolis, Independent Boards, and organizations, whether they are full-time, part-time, seasonal, permit, contractual or other types of employment situations, shall receive all expense reimbursements electronically through the bi-weekly payroll system process effective September 1, 2002. HRIS System access and training materials will be provided to the appropriated disbursement personal. Appropriate documentation would continue to be audited and maintained.